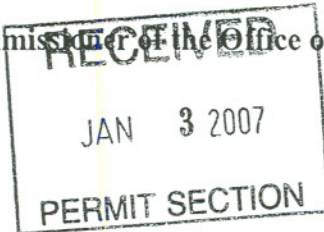


STATE OF MCHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Larry A. Dombrowski
System ID No. 0025972



Enforcement Case No. 05-3857

Respondent
_____ /

Issued and entered
on 4 January, 2007
Frances K. Wallace
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all pertinent times, Larry A. Dombrowski ("Dombrowski"), System ID No. 0025972, was a duly licensed insurance producer with qualifications in Accident and Health authorized to transact the business of selling insurance related products in this state. Dombrowski was also a duly authorized and appointed agent for American Investors Life Insurance Company, Inc. ("AIL"); as such he was acting in a fiduciary capacity on behalf of AIL.
2. As a licensed producer, Dombrowski knew or had reason to know that Section 1239(1)(b) of the Insurance Code provides that the commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license or may levy a civil fine under Section 1244 of the Code or any combination of actions if an insurance producer violates any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.
3. Further, as licensed insurance producer, Dombrowski knew or had reason to know that Section 1239(1)(d) of the Insurance Code provides that the commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license or may levy a civil fine under Section 1244 of the Code or any combination of actions if an insurance producer has improperly withheld, misappropriated, or converted any money or property received in the course of doing insurance business.

4. Further, as licensed insurance producer, Dombrowski knew or had reason to know that Section 1239(1)(f) of the Insurance Code provides that the commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license or may levy a civil fine under Section 1244 of the Code or any combination of actions if an insurance producer is convicted of a felony.
5. Further, as a licensed insurance producer, Dombrowski knew or had reason to know that Section 1239(1)(g) of the Insurance Code provides that the commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license or may levy a civil fine under Section 1244 of the Code or any combination of actions if an insurance producer commits any unfair practice or fraud.
6. Further, as licensed insurance producer, Dombrowski knew or had reason to know that Section 1239(1) (h) of the Insurance Code provides that the commissioner may place on probation, suspend, revoke or refuse to issue an insurance producer's license or may levy a civil fine under Section 1244 of the Code or any combination of actions if an insurance producer commits fraudulent, coercive, or dishonest practices or demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
7. Further, as licensed insurance producer, Dombrowski knew or had reason to know that Section 1207(1) of the Insurance Code requires an agent to be a fiduciary for all funds collected and that failure of an agent to timely remit premium to the company to whom it is owed violates the Insurance Code.
8. Further, as licensed insurance producer, Dombrowski knew or had reason to know that Section 1247(2) of the Insurance Code requires an insurance producer to report to the commissioner, within 30 days after the initial pretrial hearing date, any criminal prosecution of the insurance producer taken in any jurisdiction.
9. On April 28, 2004, the Office of Financial and Insurance Services (OFIS) received a complaint from _____ husband of _____ alleging that on June 20, 2002, _____ purchased an annuity contract from AIL, through its authorized agent Larry A. Dombrowski.
10. Upon further investigation into the matter, OFIS discovered that on June 20, 2002, Dombrowski completed an AIL annuity application for _____. Both Dombrowski, as agent for AIL and _____ signed the agreement. At the specific instruction of Dombrowski, _____ issued personal check #101 made payable to Allan Investments for \$10,000.00.
11. On or about June 24, 2002, Dombrowski negotiated the check and defalcated the proceeds by failing to remit the premium to AIL. Consequently, AIL never processed the annuity contract for _____.

12. On December 30, 2002, [redacted] filed a Summons and Complaint in Oakland County Court against Dombrowski.
13. On February 25, 2004, Dombrowski plead guilty to Oakland County Circuit Court to attempted larceny by conversion (Section 362 of the Michigan Penal Code, MCL 750.362), and the Court sentenced him to five years probation.
14. On March 24, 2003, the Oakland County Circuit Court issued an Order of Judgment against Dombrowski in the sum of \$10,413.50.
15. OFIS sent correspondence (certified mail) to Dombrowski at his last known address of: 16257 White Water Drive, Macomb, Michigan 48042. Said correspondence was returned with no forwarding address. OFIS staff also appeared at the above address of Dombrowski and the office was vacant.
16. To date, Dombrowski has not reimbursed [redacted]; nor has she received an annuity insurance contract under the terms of the signed agreement.
17. Dombrowski's failure to remit the Complainant [redacted] check to AIL and his subsequent negotiation and defalcation of the funds is prima facie evidence of a breach of his fiduciary duty and a violation of Section 1207(1) of the Insurance Code.
18. Dombrowski's failure to remit the Complainant [redacted] check to AIL, and his subsequent negotiation and defalcation of the funds, is a violation of Section 1239(1)(b) of the Insurance Code.
19. By endorsing the check and defalcating the funds of Complainant [redacted] Dombrowski has improperly withheld, misappropriated and converted the money received in the course of doing insurance business is a violation of Section 1239(1)(d) of the Insurance Code.
20. Dombrowski's felony conviction violates Section 1239(1)(f) of the Insurance Code.
21. Dombrowski's failure to remit Complainant [redacted] check to AIL, and his subsequent negotiation and defalcation of the funds is an unfair insurance practice or fraud and is a violation of Section 1239(1)(g) of the Insurance Code.
22. Dombrowski's failure to remit the Complainant [redacted] check and by endorsing the same and defalcating the funds of Complainant [redacted] Dombrowski has demonstrated fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the course of doing insurance business in violation of Section 1239(1)(h) of the Insurance Code.

23. Under Section 1244(1), Dombrowski's violation of Sections 1207(1) and 1239(1) of the Insurance Code, provides that the Commissioner may order Dombrowski to pay a civil fine, suspend or revoke his insurance producer license and/or pay restitution to any claimant that incurred a loss, damages, or harm resulting from Dombrowski's violations of the Insurance Code.
24. On February 25, 2004, Dombrowski plead guilty to attempted larceny by conversion (Section 362 of the Michigan Penal Code, MCL 750.362), and was sentenced to five years probation.
25. Dombrowski's felony conviction violates Section 1239(1)(f) of the Insurance Code.
26. Further, Dombrowski failed to report his felony conviction to the commissioner, which is in violation of Section 1247(2) of the Insurance Code.
27. Under Section 1244(1), Dombrowski's violation of Sections 1239(1) and 1247(2) of the Insurance Code, provides that the Commissioner may order Dombrowski to pay a civil fine, suspend or revoke his insurance producer license and/or pay restitution to any claimant that incurred a loss, damage, or harm due to Dombrowski's violations of the Insurance Code.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is **ORDERED** that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate Section 1207(1), 1239(1)(b), (d), (f), (g) and (h), and 1247(2) of the Michigan Insurance Code.
2. Respondent's insurance producer license is hereby **REVOKED**.
3. Respondent shall pay to the State of Michigan a civil fine of Two Thousand Dollars (\$2,000.00). Upon execution of this Order, OFIS will send Respondent an Invoice for the civil fine, which will be due within 30 days of issuance of the Invoice.
4. Respondent shall pay restitution in the sum of \$10,413.50 to Complainant, for loss, damage or harm resulting from Respondent's violations of the Insurance Code.



Frances K. Wallace
Chief Deputy Commissioner